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7 February 1952

TO: Deputy Director for Administration
FROM: Chief, Administrative Staff (Special)
SUBJECT: Program and Project Approval

1. PROBLEM. -- Agency Regulations governing program and project approval are inadequate.

2. ASSUMPTION. -- The level of policy approval required for operational undertakings is a matter of fundamental Agency concern, and as such, should not be subject to widely-varying interpretations within the Agency.

3. FACTS. --

a. The Operations offices have developed, and are now employing, different methods for approving operational undertakings. OSO activates projects upon authorization of the ADSO, and his approval of a project is final. OPC projects, in contrast, are approved by the ADPC up to a dollar limitation of \$10,000; by the PRC or an individual member thereof for projects between \$10,000-\$25,000; and by the Director if over \$25,000. Correspondingly, program approval in OSO rests with the ADSO, while OPC submits all programs to the PRC and DCI for approval.

b. Agency Regulations make no distinction between OSO- and OPC-type activity, and as a result, do not prescribe a different method of approval for each office. The contrasting levels of approval in use are presently justified by the respective offices by differing interpretations of Agency Regulations.

4. DISCUSSION. --

a. The Project Review Committee was established to provide top-level review and approval for programs and projects involving matters of Agency policy sensitivity. Fulfillment of this function, however, is jeopardized by the fact that the PRC's role is not uniformly interpreted throughout the Agency.

b. Further, the supplementation of PRC procedure providing for approval by an individual Deputy Director on behalf of the PRC has had the effect of nullifying the intent of "committee" action and procedurally has meant that many projects have not been reflected in PRC records.

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c. The terms "program" and "project" have become unusable for distinguishing the level and scope of planning encompassed by undertakings bearing these designations. There is no uniform interpretation of what is a program or project, and therefore, no uniform interpretation of what approval of these signifies in terms of implementing the activity under them.

d. It is recognized, for example, that OSO operations involving routine contact with agents and informants for general collection purposes probably receive adequate PRC and DCI approval through approval of area budget estimates. However, projects definable as autonomous operational entities which mount specially designed, planned, cohesive operations for designated, limited, appraisable purposes, whether sponsored by OSO or OPC, very often involve factors of direct Agency policy concern which were not appraised in budget estimates. There is no provision in existing regulations for differentiating between the levels of policy-sensitivity inherent in such operational undertakings.

e. It is axiomatic that there are multiple factors or principles which should determine the level of policy approval, yet, under current Agency practice, OSO determines that level on the basis of non-formalized criteria, while OPC uses a criterion based solely on the dollar-amount of the funds employed in each undertaking.

f. Agency regulatory material governing program and project approval cannot be adhered to uniformly, cannot be interpreted accurately, and therefore, cannot be used as a satisfactory guide to prescribe proper action under varying circumstances. The guide to action has consistently fallen back onto custom and practice.

5. ACTION RECOMMENDED. --

a. Revise existing Regulations to provide logical usable criteria on the basis of which programs and projects may be evaluated to determine the degree of policy sensitivity involved, thereby establishing the level at which final approval must be obtained prior to implementation. (Suggested criteria of this type are included as Tab A.)

b. A determination should be made whether OSO- and OPC-type activity are sufficiently different in terms of sensitivity, and political and policy significance, to warrant and require different criteria and procedures to be used for each office as bases for submission of projects and programs for Agency-level policy consideration and approval. JLLGIB

c. A general redefinition of terminology should be incorporated into Agency regulatory material governing project and program approval. Those redefinitions most needed are for the terms: "project" and "program", together with a clarification of what is encompassed by "approval" in its different forms; i.e., approval of a project, of a

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budget estimate, of a program, etc. (Suggested definitions of this type are included as Tab B.)

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